

**Platinum Japan Fund (ARSN : 089 528 825)**  
**Platinum European Fund (ARSN : 089 528 594)**  
**Platinum International Fund (ARSN : 089 528 307)**  
**Platinum International Brands Fund (ARSN : 092 429 813)**  
**Platinum International Technology Fund (ARSN : 092 429 555)**  
**Platinum Asia Fund (ARSN : 104 043 110)**

**Annual Report**  
**For the Financial Year ended 30 June 2003**

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Annual Report – For the Financial Year ended 30 June 2003**

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**Platinum Japan Fund**  
**Platinum European Fund**  
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**Platinum Asia Fund**

## **Directors' Report**

The Directors of Platinum Asset Management Limited ABN 25 063 565 006 AFSL 221935 as trustee of the Platinum Asset Management Trust (*Platinum Asset Management*), being the responsible entity of the Platinum Japan Fund, the Platinum European Fund, the Platinum International Fund, the Platinum International Brands Fund, the Platinum International Technology Fund and the Platinum Asia Fund (*the registered schemes*) present their report on the registered schemes for the financial year ended 30 June 2003.

### **Directors of the Responsible Entity**

The following persons were Directors of the Platinum Asset Management during the whole of the financial year and up to the date of this report:

WKS Neilson  
AM Clifford  
RM Halstead

### **Principal Activities**

During the year, the registered schemes continued to invest funds in accordance with the current Product Disclosure Statement (PDS) and in accordance with the rules of each registered schemes' constitution.

### **Significant Changes in the State of Affairs**

In the opinion of the Directors of the responsible entity there were no significant changes in the state of affairs of the registered schemes that occurred during the financial year.

### **Review of Operations**

The registered schemes maintain their individual investment strategy in listed equities, unlisted equities, equity and index derivatives and currency contracts. The Platinum Asia fund commenced operations on 23<sup>rd</sup> March 2003.

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Results**

The performance of the registered schemes as represented by the results of their operations for the financial year, were as follows:

	<b>Japan Fund</b>		<b>European Fund</b>		<b>International Fund</b>		<b>International Brands Fund</b>		<b>International Technology Fund</b>		<b>Asia Fund</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net Operating Income	(3,189)	(1,583)	(4,324)	2,480	(84,738)	90,308	(1,261)	2,698	(3,237)	(1,711)	99	-
Distribution paid and payable	6,261	5,836	2,215	6,433	131,911	131,693	3,935	3,611	3,579	5,796	55	-
Distribution (cents per unit)	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>	<b>CPU</b>
	14.62	14.97	3.42	11.27	7.80	12.73	7.26	8.84	8.53	18.42	0.70	-

The redemption prices of the registered schemes are as follows:

	<b>Japan Fund</b>	<b>European Fund</b>	<b>International Fund</b>	<b>International Brands Fund</b>	<b>International Technology Fund</b>	<b>Asia Fund</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Redemption Price – 30 June 2002 (cum-distribution)	1.9024	1.7262	1.8028	1.5130	1.0336	-
Redemption Price – 30 June 2003 (cum-distribution)	1.6017	1.5195	1.5840	1.3166	0.8553	1.0778

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Matters subsequent to the end of the financial year**

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2003 that has significantly affected, or may significantly affect:

- (i) the operations of the registered schemes in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the registered schemes in future financial years.

**Likely Developments and Expected Results of Operations**

Further information on likely developments in the operation of the registered schemes and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in a unreasonable prejudice to the registered schemes.

**Indemnification and Insurance of Officers and Auditors**

No insurance premiums are paid for out of the assets of the registered schemes in regards to insurance cover provided to either the Manager or the Auditor of the registered schemes. So long as the officers of the responsible entity act in accordance with the Trust Constitution and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

**Fees Paid to and Interests Held in the Registered Scheme**

Fees paid to the Responsible Entity and its associates out of registered schemes property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of the registered schemes property to the Directors of the responsible entity during the year. The number of interests in the registered schemes held by the responsible entity or its associates as at the end of the financial year are disclosed in Note 13, to the financial statements.

**Value of Investments**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Value of registered schemes Assets	70,670	77,720	99,020	100,468	2,697,470	1,898,489	71,711	64,671	36,052	33,255	8,990	-

The value of the registered schemes' assets are derived using the basis set out in Note 6 and Note 9 to the financial statements.

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Interests in the Registered Scheme**

The movement in units on issue in the registered schemes during the year has been disclosed in Note 7, to the financial statements.

**Environmental regulation**

The operations of the registered schemes are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

**Rounding of amounts to the nearest thousand dollars**

The registered schemes are of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

This report is made in accordance with a resolution of the directors.

RM Halstead  
Director

Sydney  
26 August 2003

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Statements of Financial Performance**

For the year ended 30 June 2003

		Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	Note	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	23 March 2003 – 30 June 2003 \$'000	2002 \$'000
<b>Statement of financial performance</b>													
<b>Investment income</b>													
Dividends		548	614	1,879	1,076	32,589	16,588	1,280	588	173	728	51	-
Interest	3	4	54	166	263	17,214	6,787	269	128	170	314	23	-
Net realised gains/(losses) on sale of equities/derivatives		(4,402)	(2,398)	3,758	5,237	59,759	99,927	2,057	2,451	(2,987)	4,411	50	-
Net realised foreign exchange gains/(losses) on hedging transactions		370	2,339	(433)	1,199	71,485	24,474	1,448	791	(55)	732	(28)	-
Net unrealised gains/(losses) on revaluation of monetary assets		3,282	(540)	4,476	(2,698)	85,938	(15,959)	2,998	(838)	1,117	271	16	-
Reversal of prior periods' provision for permanent diminution in the value of investments		2,664	2,067	2,338	837	27,541	967	-	-	8,185	448	-	-
Provision for permanent diminution in the value of investments		(4,588)	(2,664)	(15,145)	(2,338)	(345,336)	(27,541)	(8,325)	-	(9,358)	(8,185)	-	-
<b>Total investment income from ordinary activities</b>		<b>(2,122)</b>	<b>(528)</b>	<b>(2,961)</b>	<b>3,576</b>	<b>(50,810)</b>	<b>105,243</b>	<b>(273)</b>	<b>3,120</b>	<b>(2,755)</b>	<b>(1,281)</b>	<b>112</b>	<b>-</b>
<b>Expenses</b>													
Management fees		851	799	1,140	843	30,583	12,681	813	217	365	256	12	-
Administration Service Fees		54	-	55	-	1,955	-	45	-	24	-	-	-
Custodian fees		45	92	42	77	615	920	30	36	20	32	-	-
Auditor's remuneration	4	25	21	27	20	46	36	16	9	19	12	1	-
Unit registry fees		22	60	30	73	204	339	31	52	19	62	-	-
Other		70	83	69	83	525	959	53	108	35	68	-	-
<b>Total expenses from ordinary activities</b>		<b>1,067</b>	<b>1,055</b>	<b>1,363</b>	<b>1,096</b>	<b>33,928</b>	<b>14,935</b>	<b>988</b>	<b>422</b>	<b>482</b>	<b>430</b>	<b>13</b>	<b>-</b>
<b>Net operating income from ordinary activities</b>		<b>(3,189)</b>	<b>(1,583)</b>	<b>(4,324)</b>	<b>2,480</b>	<b>(84,738)</b>	<b>90,308</b>	<b>(1,261)</b>	<b>2,698</b>	<b>(3,237)</b>	<b>(1,711)</b>	<b>99</b>	<b>-</b>
<b>Distribution</b>													
Amounts transferred from/(to) reserves	12	9,450	7,419	6,539	3,953	216,649	41,385	5,196	913	6,816	7,507	(44)	-
<b>Distribution paid and payable to unitholders</b>	8	<b>(6,261)</b>	<b>(5,836)</b>	<b>(2,215)</b>	<b>(6,433)</b>	<b>(131,911)</b>	<b>(131,693)</b>	<b>(3,935)</b>	<b>(3,611)</b>	<b>(3,579)</b>	<b>(5,796)</b>	<b>(55)</b>	<b>-</b>

*The above statements of financial performance should be read in conjunction with the accompanying notes.*

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**  
**Statements of Financial Position**

As at 30 June 2003

	Note	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>Investments</b>	6	67,765	67,465	98,864	99,130	2,696,851	1,900,648	72,167	61,487	36,914	37,597	8,433	-
<b>Current Assets</b>													
Receivables	9	2,777	6,483	395	430	29,199	20,148	136	125	14	36	256	-
<b>Total Current Assets</b>		2,777	6,483	395	430	29,199	20,148	136	125	14	36	256	-
<b>Total Assets</b>		70,542	73,948	99,259	99,560	2,726,050	1,920,796	72,303	61,612	36,928	37,633	8,689	-
<b>Liabilities</b>													
<b>Other Liabilities</b>													
Unitholders' distribution payable	8	6,261	5,836	2,215	6,433	131,911	131,693	3,935	3,611	3,579	5,796	55	-
Creditors and accrued expenses	10	1,918	3,358	332	1,659	12,470	28,850	141	2,742	58	647	415	-
<b>Total Liabilities</b>		8,179	9,194	2,547	8,092	144,381	160,543	4,076	6,353	3,637	6,443	470	-
<b>Net Assets</b>		62,363	64,754	96,712	91,468	2,581,669	1,760,253	68,227	55,259	33,291	31,190	8,219	-
<b>Unitholders' Equity</b>													
Unitholders' Funds	7	85,958	78,899	107,869	96,076	2,844,371	1,806,306	74,366	56,202	48,878	39,961	8,175	-
Reserves	12	(23,595)	(14,145)	(11,157)	(4,608)	(262,702)	(46,053)	(6,139)	(943)	(15,587)	(8,771)	44	-
<b>Total Unitholders' Equity</b>		62,363	64,754	96,712	91,468	2,581,669	1,760,253	68,227	55,259	33,291	31,190	8,219	-

The above statements of financial position should be read in conjunction with the accompanying notes.



**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
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**Platinum Asia Fund**  
**Statements of Cash Flows**

For the year ended 30 June 2003

	<b>Japan Fund</b>		<b>European Fund</b>		<b>International Fund</b>		<b>International Brands Fund</b>		<b>International Technology Fund</b>		<b>Asia Fund</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>23 March 2003 – 30 June 2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>												
Interest received	9	44	188	212	17,556	5,758	299	91	189	289	21	-
Dividends received	564	600	1,710	1,003	29,282	15,722	1,240	555	174	729	21	-
Registered scheme's fees paid	(998)	(1,025)	(1,247)	(998)	(33,041)	(11,926)	(908)	(278)	(501)	(358)	(5)	-
Other expenses paid	(69)	(76)	(68)	(28)	(525)	(847)	(54)	(84)	(35)	(53)	-	-
Cash paid for purchase of investments	(491,732)	(120,152)	(531,049)	(86,451)	(11,659,819)	(1,564,841)	(396,800)	(48,348)	(213,607)	(58,665)	(17,791)	-
Cash proceeds from sale of investments	495,502	126,845	520,801	58,561	10,817,634	470,235	388,706	12,352	211,335	42,680	11,103	-
<b>Net cash (outflow) from operating activities (Note 15 (c))</b>	<b>3,276</b>	<b>6,236</b>	<b>(9,665)</b>	<b>(27,701)</b>	<b>(828,913)</b>	<b>(1,085,899)</b>	<b>(7,517)</b>	<b>(35,712)</b>	<b>(2,445)</b>	<b>(15,378)</b>	<b>(6,651)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>												
Proceeds received from units issued	19,142	26,222	27,154	58,314	1,369,087	1,541,752	35,667	55,890	14,563	29,089	8,184	-
Cash paid for units redeemed	(12,082)	(27,267)	(15,361)	(12,986)	(331,022)	(81,409)	(17,503)	(7,675)	(5,645)	(6,135)	(10)	-
Distributions paid	(5,836)	(3,060)	(6,433)	(3,060)	(131,693)	(31,363)	(3,611)	(274)	(5,796)	(4,158)	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>1,224</b>	<b>(4,105)</b>	<b>5,360</b>	<b>42,268</b>	<b>906,372</b>	<b>1,428,980</b>	<b>14,553</b>	<b>47,941</b>	<b>3,122</b>	<b>18,796</b>	<b>8,174</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>4,500</b>	<b>2,131</b>	<b>(4,305)</b>	<b>14,567</b>	<b>77,459</b>	<b>343,081</b>	<b>7,036</b>	<b>12,229</b>	<b>677</b>	<b>3,418</b>	<b>1,523</b>	<b>-</b>
Cash at beginning of the financial year	7,511	5,248	22,838	8,132	412,890	70,564	13,360	1,089	9,312	5,865	-	-
Effects of exchange rate changes on cash	(588)	132	(271)	139	(942)	(755)	(693)	42	(629)	29	(64)	-
<b>Cash at the End of the Financial Year (Note 15(a))</b>	<b>11,423</b>	<b>7,511</b>	<b>18,262</b>	<b>22,838</b>	<b>489,407</b>	<b>412,890</b>	<b>19,703</b>	<b>13,360</b>	<b>9,360</b>	<b>9,312</b>	<b>1,459</b>	<b>-</b>

*The above statements of cash flow should be read in conjunction with the accompanying notes.*

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
**Platinum International Brands Fund**  
**Platinum International Technology Fund**  
**Platinum Asia Fund**

**Notes to the Financial Statements**

30 June 2003

**Note 1 Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

These general purpose financial reports have been prepared in accordance with the requirements of the registered schemes' constitution, Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001 in Australia. It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. The accounting policies are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

**(b) Investments**

**(i) Classification**

Investments have not been classified in the Statement of Financial Position as current or non-current assets. In the opinion of the Directors, having regard to the nature of the business conducted by the trusts, the period of investment is not known at the time of purchase.

**(ii) Valuation**

Investments are valued at cost, with the exception of monetary items which are stated at net market value. Where, in the opinion of Directors, there has been a permanent diminution in the value of an investment, the carrying amount of such an investment is written down to its net fair value.

**(c) Derivatives**

**(i) Currency hedges**

Realised and unrealised gains or losses are brought to account in determining the result for the year. Currency positions are disclosed in note 11.

**(ii) Other Derivatives**

All other derivatives are valued at cost. Where, in the opinion of Directors, there has been a permanent diminution in the value of a derivative, the carrying amount of such a derivative is written down to its recoverable amount. Derivative positions are disclosed in note 11.

**(d) Investment Income and Expenses**

**Platinum Japan Fund**  
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**Notes to the Financial Statements**

30 June 2003

Investment income and expenses are brought to account on an accruals basis. Dividend income is brought to account as income on the ex-date applicable to each investment. Changes in the net market value of monetary assets are recognised as revenues or expenses in the Statement of Financial Performance and Distribution in the year in which the changes occur.

**Platinum Japan Fund**  
**Platinum European Fund**  
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**Notes to the Financial Statements**

30 June 2003

**Note 1 Summary of Significant Accounting Policies (cont)**

**(e) Cash**

Refer to Note 15.

**(f) Distributions**

In accordance with each registered schemes' constitution, each registered scheme fully distributes its distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme. The distributions are paid at the end of June each year.

**(g) Transfers To/From Unitholders' Equity**

Non-distributable income is transferred directly to unitholders' equity and may consist of unrealised changes in the net market value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to unitholders' equity) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

**(h) Foreign Currency Transactions**

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange ruling on the date of the transaction. All realised exchange gains and losses are taken to account in the period in which they arise.

Foreign currency assets and liabilities existing at balance date are translated at the rate current at balance date.

**(i) Receivables**

Receivables may include amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the last time of payment.

**(j) Accounts Payable**

These amounts represent liabilities for amounts owing by each of the registered schemes at year end which are unpaid. The amounts are secured and are usually paid within 30 days of recognition.

**Platinum Japan Fund**  
**Platinum European Fund**  
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**Notes to the Financial Statements**

30 June 2003

**(k) Application and Redemptions**

Application received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes.

Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. Unit redemption prices are determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

**Platinum Japan Fund**  
**Platinum European Fund**  
**Platinum International Fund**  
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**Platinum Asia Fund**

**Notes to the Financial Statements**

30 June 2003

**Note 2 Management Expense Ratio (“MER”)**

The MER calculation includes fees charged to the registered schemes during the financial year, including those charged by the responsible entity directly for the management of the assets and custodial fees.

Expenses excluded from the MER calculation are those that would have ordinarily been incurred by a direct investor in the underlying assets of the registered scheme, such as brokerage and transaction costs.

	<b>Japan Fund</b>		<b>European Fund</b>		<b>International Fund</b>		<b>International Brands Fund</b>		<b>International Technology Fund</b>		<b>Asia Fund</b>	
	<b>2003 \$'000</b>	<b>2002 \$'000</b>	<b>2003 \$'000</b>	<b>2002 \$'000</b>	<b>2003 \$'000</b>	<b>2002 \$'000</b>	<b>2003 \$'000</b>	<b>2002 \$'000</b>	<b>2003 \$'000</b>	<b>2002 \$'000</b>	<b>23 March 2003 – 30 June 2003 \$'000</b>	<b>2002 \$'000</b>
<b>Crediting:</b>												
MER related expenses incurred directly	1,038	1,055	1,356	1,096	33,909	14,935	992	422	484	430	13	-
Total MER related expenses	1,038	1,055	1,356	1,096	33,909	14,935	992	422	484	430	13	-
Average unitholders' funds #	69,187	70,121	90,379	72,839	2,260,613	1,062,562	66,146	28,084	32,236	28,656	4,643	-
MER	1.50%	1.50%	1.50%	1.50%	1.50%	1.41%	1.50%	1.50%	1.50%	1.50%	0.28%	-

# The average unitholders' funds used to calculate the MER is the average net assets of the registered scheme, which is calculated on a monthly basis.

**Platinum Japan Fund**  
**Platinum European Fund**  
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**Note 3 Interest Revenue**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	4	54	166	263	17,214	6,787	269	128	170	314	23	-

**Note 4 Auditor's Remuneration**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Auditing the financial report	14,000	12,000	14,000	12,000	28,600	25,000	6,200	4,000	8,400	7,000	500	-
Review of half year financial report	6,000	5,000	8,000	4,000	12,000	7,000	8,000	3,000	8,000	3,000	-	-
Auditing the Compliance Plan	4,500	4,300	4,500	4,300	5,000	4,500	2,200	1,700	2,200	1,700	500	-
	24,500	21,300	26,500	20,300	45,600	36,500	16,400	8,700	18,600	11,700	1,000	-

In 2003, Auditor's Remuneration will be paid by Platinum Asset Management and reimbursed by the funds.

**Note 5 Taxation**

Under current legislation the individual registered schemes are not subject to income tax as the taxable income (including assessable net realised capital gains) is distributed in full to the unitholders.

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**Note 6 Investments**

	<b>Japan Fund</b>				<b>European Fund</b>			
	<b>30 June 2003 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2002 \$'000</b>
	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value
Listed and unlisted securities	53,592	58,053	64,299	63,191	78,285	93,669	79,760	81,180
Less: securities written down to net fair value	-	(4,588)	-	(2,664)	-	(15,145)	-	(2,328)
	<u>53,592</u>	<u>53,465</u>	<u>64,299</u>	<u>60,527</u>	<u>78,285</u>	<u>78,524</u>	<u>79,760</u>	<u>78,852</u>
Cash and cash equivalents	11,423	11,423	7,511	7,511	18,262	18,262	22,838	22,838
Currency hedges	2,877	2,877	(573)	(573)	2,078	2,078	(2,560)	(2,560)
	<u>67,892</u>	<u>67,765</u>	<u>71,237</u>	<u>67,465</u>	<u>98,625</u>	<u>98,864</u>	<u>100,038</u>	<u>99,130</u>

  

	<b>International Fund</b>				<b>International Brands Fund</b>			
	<b>30 June 2003 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2003 \$'000</b>	<b>30 June 2002 \$'000</b>	<b>30 June 2002 \$'000</b>
	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value
Listed and unlisted securities	2,107,806	2,481,722	1,481,134	1,530,982	49,645	58,562	52,046	48,990
Less: securities written down to net fair value	-	(345,336)	-	(27,541)	-	(8,325)	-	-
	<u>2,107,806</u>	<u>2,136,386</u>	<u>1,481,134</u>	<u>1,503,441</u>	<u>49,645</u>	<u>50,237</u>	<u>52,046</u>	<u>48,990</u>
Cash and cash equivalents	489,407	489,407	412,890	412,890	19,703	19,703	13,360	13,360
Currency hedges	71,058	71,058	(15,683)	(15,683)	2,227	2,227	(863)	(863)
	<u>2,668,271</u>	<u>2,696,851</u>	<u>1,878,341</u>	<u>1,900,648</u>	<u>71,575</u>	<u>72,167</u>	<u>64,543</u>	<u>61,487</u>



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**Note 6 Investments (cont)**

	<b>International Technology Fund</b>				<b>Asia Fund</b>			
	<b>30 June 2003</b>	<b>30 June 2003</b>	<b>30 June 2002</b>	<b>30 June 2002</b>	<b>30 June 2003</b>	<b>30 June 2003</b>	<b>30 June 2002</b>	<b>30 June 2002</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying Value	Net Fair Value	Cost/Carrying g Value	Net Fair Value	Cost/Carrying g Value
Listed and unlisted securities	25,216	35,450	23,596	36,158	7,264	6,963	-	-
Less: securities written down to net fair value	-	(9,358)	-	(8,184)	-	-	-	-
	25,216	26,092	23,596	27,974	7,264	6,963	-	-
Cash and cash equivalents	9,360	9,360	9,312	9,312	1,459	1,459	-	-
Currency hedges	1,462	1,462	311	311	11	11	-	-
	<b>36,038</b>	<b>36,914</b>	<b>33,219</b>	<b>37,597</b>	<b>8,734</b>	<b>8,433</b>	<b>-</b>	<b>-</b>

Non monetary investments are stated at cost. Where a decrease in the value of an investment below cost is considered permanent, such investments are stated at their recoverable value being their net fair value (refer Note 1(b)). The decrease in value is disclosed above as securities written down to net fair value.

Certain investments noted above, which are carried at cost value have a lower net fair value. Investment markets are in a continuous state of flux, changing the net fair value of the registered schemes' investments, sometimes to below original cost. The registered schemes are long term investors and short term fluctuations in the net fair value of investments are not taken to account, other than if they represent a permanent diminution in value (refer to Note 1(b)).

Exchange traded investments' net fair value is determined from the quoted market price less an estimate for realisation costs. Unlisted investments, including monetary items, net fair value is determined from alternative pricing sources in 'over the counter' markets or by managers' valuation, less an estimate for realisation costs.

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**Note 7 Unitholders' Funds**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unitholders' funds at the start of the period	78,898	79,944	96,076	50,748	1,806,306	345,963	56,202	7,986	39,961	17,007	-	-
Applications during the period	19,142	26,222	27,155	58,314	1,369,138	1,541,752	35,667	55,890	14,563	29,089	8,184	-
Redemptions during the period	(12,082)	(27,267)	(15,362)	(12,986)	(331,073)	(81,409)	(17,503)	(7,674)	(5,646)	(6,135)	(9)	-
Unitholders' funds at the end of the period	85,958	78,899	107,869	96,076	2,844,371	1,806,306	74,366	56,202	48,878	39,961	8,175	-
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
Number of units on issue at the start of the period	38,990	40,343	57,097	31,513	1,034,444	213,827	40,828	7,231	31,469	12,691	-	-
Number of units issued during the period	11,231	14,376	18,513	33,821	872,815	869,666	27,024	39,026	17,676	24,329	7,945	-
Number of units redeemed during the period	(7,407)	(15,729)	(10,828)	(8,237)	(216,489)	(49,049)	(13,630)	(5,428)	(7,169)	(5,551)	(9)	-
Number of units on issue at the end of the period	42,814	38,990	64,782	57,097	1,690,770	1,034,444	54,222	40,829	41,976	31,469	7,936	-

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**Note 8 Distributions Paid and Payable**

Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
2003 \$'000	2002 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2003 \$'000

**a) Timing of distributions**

The distributions were paid/payable as follows:

30 June 2003 final payable	6,261	5,836	2,215	6,433	131,911	131,693	3,935	3,611	3,579	5,796	55	-
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**Note 9 Receivables**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Dividends receivable	9	25	96	20	3,199	1,036	23	33	-	-	31	-
Unsettled trades	2,746	6,393	-	161	22,628	16,615	-	-	-	-	221	-
Interest receivable	5	10	30	52	783	1,125	19	49	6	25	3	-
Dividend tax refund receivable	-	-	246	154	2,006	862	78	28	-	-	-	-
Other receivables	17	55	23	43	583	510	16	15	8	11	1	-
	2,777	6,483	395	430	29,199	20,148	136	125	14	36	256	-

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Proceeds on sale of investments are usually received between 2 and 5 days after trade date. Interest is usually received within 3 days of becoming due and receivable and dividends are usually received within approximately 30 days of the ex-dividend date.

**Note 10 Creditors and Accrued Expenses**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unsettled trades	1,805	3,245	188	1,494	9,273	26,016	37	2,664	58	593	407	-
Accrued expenses	113	113	144	165	3,197	2,834	104	78	-	54	8	-
	<u>1,918</u>	<u>3,358</u>	<u>332</u>	<u>1,659</u>	<u>12,470</u>	<u>28,850</u>	<u>141</u>	<u>2,742</u>	<u>58</u>	<u>647</u>	<u>415</u>	<u>-</u>

Payables on purchase of investments are usually paid between 2 and 5 days after trade date.

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**Note 11 Financial Instruments**

Refer to note 1 for the Accounting Policies adopted with respect to Derivatives and Currencies.

**(a) Investments at net fair value and Derivatives Exposure**

**Japan Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	44,547	(11,420)	33,127	(11,420)	33,127
Other Asia	9,045	-	9,045	-	9,045
Australia	-	-	-	-	-
Europe - Euro	-	-	-	-	-
Europe - Other	-	-	-	-	-
North America	-	-	-	-	-
South America	-	-	-	-	-
Africa	-	-	-	-	-
	<u>53,592</u>	<u>(11,420)</u>	<u>42,172</u>	<u>(11,420)</u>	<u>42,172</u>
Liquids	<u>14,300</u>	<u>11,420</u>	<u>25,720</u>	<u>11,420</u>	<u>25,720</u>
Total	<u>67,892</u>	<u>-</u>	<u>67,892</u>	<u>-</u>	<u>67,892</u>

Futures & Options Notional  
Amounts 30 June 2003 (11,411)

Futures & Options Notional  
Amounts 30 June 2002 (7,646)

**European Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	-	-	-	-	-
Other Asia	-	-	-	-	-
Australia	-	-	-	-	-
Europe - Euro	51,524	(944)	50,580	(944)	50,580
Europe - Other	26,761	(2,094)	24,667	(2,094)	24,667
North America	-	-	-	-	-
South America	-	-	-	-	-
Africa	-	-	-	-	-
	<u>78,285</u>	<u>(3,038)</u>	<u>75,247</u>	<u>(3,038)</u>	<u>75,247</u>
Liquids	<u>20,340</u>	<u>3,038</u>	<u>23,378</u>	<u>3,038</u>	<u>23,378</u>
Total	<u>98,625</u>	<u>-</u>	<u>98,625</u>	<u>-</u>	<u>98,625</u>

Futures & Options Notional  
Amounts 30 June 2003 (3,034)

Futures & Options Notional  
Amounts 30 June 2002 (3,034)

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**Note 11 Financial Instruments (cont)**

**International Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	523,049	-	523,049	-	523,049
Other Asia	297,215	-	297,215	-	297,215
Australia	8,885	-	8,885	-	8,885
Europe - Euro	639,984	-	639,984	-	639,984
Europe - Other	195,511	(13,166)	182,345	(13,166)	182,345
North America	442,021	(502,146)	(60,125)	(502,146)	(60,125)
South America	1,141	-	1,141	-	1,141
Africa	-	-	-	-	-
	<u>2,107,806</u>	<u>(515,312)</u>	<u>1,592,494</u>	<u>(515,312)</u>	<u>1,592,494</u>
Liquids	560,465	515,312	1,075,777	515,312	1,075,777
Total	<u>2,668,271</u>	<u>-</u>	<u>2,668,271</u>	<u>-</u>	<u>2,668,271</u>

Futures & Options Notional  
Amounts 30 June 2003 (514,988)

Futures & Options Notional  
Amounts 30 June 2002 (383,574)

**International Brands Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	12,091	-	12,091	-	12,091
Other Asia	5,589	-	5,589	-	5,589
Australia	-	-	-	-	-
Europe - Euro	20,814	-	20,814	-	20,814
Europe - Other	8,962	-	8,962	-	8,962
North America	2,189	(3,508)	(1,319)	(3,508)	(1,319)
South America	-	-	-	-	-
Africa	-	-	-	-	-
	<u>49,645</u>	<u>(3,508)</u>	<u>46,137</u>	<u>(3,508)</u>	<u>46,137</u>
Liquids	21,930	3,508	25,438	3,508	25,438
Total	<u>71,575</u>	<u>-</u>	<u>71,575</u>	<u>-</u>	<u>71,575</u>

Futures & Options Notional  
Amounts 30 June 2003 (3,506)

Futures & Options Notional  
Amounts 30 June 2002 (2,740)

**Platinum Japan Fund**  
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**Note 11 Financial Instruments (cont)**

**International Technology Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	3,535	-	3,535	-	3,535
Other Asia	5,508	-	5,508	-	5,508
Australia	-	-	-	-	-
Europe - Euro	7,259	-	7,259	-	7,259
Europe - Other	1,400	-	1,400	-	1,400
North America	7,514	(8,244)	(730)	(8,244)	(730)
South America	-	-	-	-	-
Africa	-	-	-	-	-
	<u>25,216</u>	<u>(8,244)</u>	<u>16,972</u>	<u>(8,244)</u>	<u>16,972</u>
Liquids	<u>10,822</u>	<u>8,244</u>	<u>19,066</u>	<u>8,244</u>	<u>19,066</u>
Total	<u>36,038</u>	<u>-</u>	<u>36,038</u>	<u>-</u>	<u>36,038</u>

Futures & Options Notional  
Amounts 30 June 2003 (8,239)

Futures & Options Notional  
Amounts 30 June 2002 (10,853)

**Asia Fund**

	Physical \$'000	Futures & Options \$'000	Upside (i) \$'000	Futures & Options \$'000	Downside (ii) \$'000
Japan	-	-	-	-	-
Other Asia	7,169	-	7,169	-	7,169
Australia	-	-	-	-	-
Europe - Euro	-	-	-	-	-
Europe - Other	-	-	-	-	-
North America	95	-	95	-	95
South America	-	-	-	-	-
Africa	-	-	-	-	-
	<u>7,264</u>	<u>-</u>	<u>7,264</u>	<u>-</u>	<u>7,264</u>
Liquids	<u>1,470</u>	<u>-</u>	<u>1,470</u>	<u>-</u>	<u>1,470</u>
Total	<u>8,734</u>	<u>-</u>	<u>8,734</u>	<u>-</u>	<u>8,734</u>

Futures & Options Notional  
Amounts 30 June 2003 -

Futures & Options Notional  
Amounts 30 June 2002 -

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The "physical" column simply shows the location of the investments.

(i) The "upside" column is an approximation of the Portfolios' exposure to upward movements in markets. This is calculated by making two adjustments to the "physical" position. The first is to subtract, from the physical position, any short (sold) and add any long (bought) positions in shares

or share index futures. For example, if 5% of the Portfolio was invested in Japan but there was a 2% short position in Nikkei futures, then the upside column would show 3%. Conceivably the figure could show a negative exposure which would indicate the Portfolio was net short the Japanese market. The second adjustment is for options held to buy shares (bought calls). A call option with the premium representing 0.5% of the Portfolio to buy shares in Toyota worth, say 3% of the Portfolio would require an additional 2.5% to be added to the Japanese exposure (thus determining underlying exposure).

(ii) The "downside" column is an approximation of the Portfolios' exposure to downward moves in the market. It is calculated by adjusting the "physical" position for any short or long positions in shares or share index futures and bought put options. It is not necessary to adjust for call options as only the option premium (already included in "physical") is at risk, not the underlying holding callable by the option.

The Schemes use Exchange Traded and Over The Counter Options, where the maximum potential loss is paid up-front by way of a premium. There is little credit risk attached to these instruments, as they are traded on recognised exchanges or with high credit rating counterparties.



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**(b) Credit Risk**

*On-Balance Sheet Financial Instruments*

The credit risk on financial assets of the registered schemes which have been recognised in the Statement of Financial Performance and Distribution, other than investments in equities and unlisted unit trusts, is generally the carrying amount.

*Off-Balance Sheet Financial Instruments*

For off-balance sheet financial instruments, including derivatives, which are deliverable, credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity.

The registered schemes are exposed to credit-related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. Where appropriate the registered schemes utilise master netting agreements.

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**Note 11 Financial Instruments (cont)**

**(c) Foreign Exchange Risk**

The international investment activities of the registered schemes expose it to currency risk – the possibility of losing money owing to changes in foreign currency exchange rates – and manage this through forward currency hedging contracts.

Currency exposure at market value:

**Platinum Japan Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	50,693	5,533	(28,968)	27,258
Other Asia	10,352	-	(7,868)	2,484
Australia	4,508	33,128	-	37,636
Europe - Euro	-	-	-	-
North America	2,339	7,880	(9,705)	514
Total	<u>67,892</u>	<u>46,541</u>	<u>(46,541)</u>	<u>67,892</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	52,383	-	(28,560)	23,823
Other Asia	17,216	-	-	17,216
Australia	(4,884)	31,884	-	27,000
Europe - Euro	-	-	(168)	(168)
North America	3,203	1,106	(4,262)	47
Total	<u>67,918</u>	<u>32,990</u>	<u>(32,990)</u>	<u>67,918</u>

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**Note 11 Financial Instruments (cont)**

**Platinum European Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Australia	9,298	43,446	-	52,744
Europe - Euro	59,772	-	(34,041)	25,731
Europe - Other	29,555	-	(9,405)	20,150
North America	-	2,087	(2,087)	-
Total	<u>98,625</u>	<u>45,533</u>	<u>(45,533)</u>	<u>98,625</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Australia	6,129	52,253	-	58,382
Europe - Euro	68,674	-	(44,609)	24,065
Europe - Other	16,322	-	(5,090)	11,232
North America	1,251	-	(2,554)	(1,303)
Total	<u>92,376</u>	<u>52,253</u>	<u>(52,253)</u>	<u>92,376</u>

**Platinum Japan Fund**  
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**Note 11 Financial Instruments (cont)**

**Platinum International Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	530,887	-	(434,975)	95,912
Other Asia	319,416	-	(72,269)	247,147
Australia	350,341	1,198,283	-	1,548,624
Europe - Euro	704,787	-	(204,692)	500,095
Europe - Other	204,604	-	(28,386)	176,218
North America	557,095	69,909	(527,870)	99,134
South America	1,141	-	-	1,141
Total	<u>2,668,271</u>	<u>1,268,192</u>	<u>(1,268,192)</u>	<u>2,668,271</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	338,772	-	(282,386)	56,386
Other Asia	208,309	-	-	208,309
Australia	214,595	802,145	(37,553)	979,187
Europe - Euro	623,486	-	(267,363)	356,123
Europe - Other	88,071	-	(22,896)	65,175
North America	264,716	37,554	(229,501)	72,769
Total	<u>1,737,949</u>	<u>839,699</u>	<u>(839,699)</u>	<u>1,737,949</u>

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**Note 11 Financial Instruments (cont)**

**Platinum International Brands Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	14,136	-	(14,167)	(31)
Other Asia	5,589	-	(1,967)	3,622
Australia	4,655	35,434	-	40,089
Europe - Euro	32,397	-	(11,138)	21,259
Europe - Other	9,540	-	(6,791)	2,749
North America	5,258	5,630	(7,001)	3,887
Total	<u>71,575</u>	<u>41,064</u>	<u>(41,064)</u>	<u>71,575</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	14,221	-	(14,542)	(321)
Other Asia	4,835	-	-	4,835
Australia	8,410	33,946	-	42,356
Europe - Euro	24,454	-	(12,069)	12,385
Europe - Other	3,442	1,259	(2,431)	2,270
North America	2,954	-	(6,163)	(3,209)
Total	<u>58,316</u>	<u>35,205</u>	<u>(35,205)</u>	<u>58,316</u>

**Platinum Japan Fund**  
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**Note 11 Financial Instruments (cont)**

**Platinum International Technology Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	3,555	-	(3,533)	22
Other Asia	5,509	-	(1,522)	3,987
Australia	2,079	20,147	-	22,226
Europe - Euro	5,595	-	-	5,595
Europe - Other	4,058	2,439	(3,170)	3,327
North America	15,242	1,472	(15,833)	881
Total	<u>36,038</u>	<u>24,058</u>	<u>(24,058)</u>	<u>36,038</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	4,323	-	(4,122)	201
Other Asia	3,133	-	-	3,133
Australia	674	16,974	-	17,648
Europe - Euro	336	-	-	336
Europe - Other	1,788	3,417	(1,725)	3,480
America	16,557	-	(14,544)	2,013
Total	<u>26,811</u>	<u>20,391</u>	<u>(20,391)</u>	<u>26,811</u>

**Platinum Japan Fund**  
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**Note 11 Financial Instruments (cont)**

**Platinum Asia Fund**

<b>2003</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	-	-	-	-
Other Asia	7,183	-	-	7,183
Australia	1,034	2,577	-	3,611
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
North America	517	-	(2,577)	(2,060)
Total	<u>8,734</u>	<u>2,577</u>	<u>(2,577)</u>	<u>8,734</u>
<b>2002</b>	<b>Physical \$'000</b>	<b>Bought \$'000</b>	<b>Sold \$'000</b>	<b>Net exposure \$'000</b>
Japan	-	-	-	-
Other Asia	-	-	-	-
Australia	-	-	-	-
Europe - Euro	-	-	-	-
Europe - Other	-	-	-	-
America	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The above tables categorises the investments in the Portfolio into the currencies that the securities are issued in. For example, a security issued by a Japanese company in US\$ will be categorised as a US\$ exposure. Forward foreign currency contracts and options on forward currency contracts are adjusted against the "physical" column to arrive at a net exposure to each currency grouping. The registered scheme generally utilise short dated (90 day maturities) currency agreements with high credit rating counterparties. The existing currency hedging positions' maturity dates ranges from <15> to <49> days.

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**Note 11 Financial Instruments (cont)**

**(e) Interest Rate Risk**

The registered schemes are exposed to interest rate risks – the possibility of losing money owing to changes in interest rates and, more particularly for the registered schemes, the effect that changes in interest rates have on currency and stock market prices – and manages these as noted above for currency and market risks.

The registered schemes have no fixed interest investments, or derivatives thereon, at balance date.

**(f) Market Risk**

Market risk is the risk that the value of the registered schemes investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market risk analysis is conducted regularly on a total portfolio basis which includes the effect of derivatives.

**(g) Liquidity Risk**

Liquidity risk is the risk that the registered schemes will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

**(h) Net fair value of financial assets and financial liabilities**

The net fair value of financial assets and financial liabilities and derivative financial instruments is included in Note 6. This approximates their carrying amounts. Refer to note 1(b)(ii) and 1 (c)(ii) for information on the accounting policies applied to investments and derivatives.



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**Note 12 Reserves**

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>Foreign Currency Reserve</b>												
Balance at beginning of the period	(490)	50	(2,421)	287	(15,437)	522	(822)	16	340	69	-	-
Amounts transferred from(to) the Statement of Financial Performance	3,282	(540)	4,477	(2,698)	85,939	(15,959)	2,998	(838)	1,117	271	16	-
	<u>2,792</u>	<u>(490)</u>	<u>2,056</u>	<u>(2,411)</u>	<u>70,502</u>	<u>(15,437)</u>	<u>2,176</u>	<u>(822)</u>	<u>1,457</u>	<u>340</u>	<u>16</u>	<u>-</u>
<b>Tax Equalisation Reserve</b>												
Balance at beginning of the period	(13,655)	(6,776)	(2,197)	(942)	(30,616)	(5,190)	(121)	(46)	(9,111)	(1,333)	-	-
Amounts transferred (to)/from the Statement of Financial Performance	(12,732)	(6,879)	(11,016)	(1,255)	(302,588)	(25,426)	(8,194)	(75)	(7,933)	(7,778)	28	-
	<u>(26,387)</u>	<u>(13,655)</u>	<u>(13,213)</u>	<u>(2,197)</u>	<u>(333,204)</u>	<u>(30,616)</u>	<u>(8,315)</u>	<u>(121)</u>	<u>(17,044)</u>	<u>(9,111)</u>	<u>28</u>	<u>-</u>
	<u>(23,595)</u>	<u>(14,145)</u>	<u>11,157</u>	<u>(4,608)</u>	<u>(262,702)</u>	<u>(46,053)</u>	<u>(6,139)</u>	<u>(943)</u>	<u>(15,587)</u>	<u>(8,771)</u>	<u>44</u>	<u>-</u>

**Platinum Japan Fund**  
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**Note 13 Related Parties**

State Street Australia Limited is the Custodian of the registered schemes. They receive fees for their services which are calculated in accordance with the Custodial Agreement and disclosed in the Statement of Financial Performance and Distribution.

Platinum Asset Management Limited ABN 25 063 565 006 AFSL 221935, as Trustee for the Platinum Trust (*Platinum Asset Management*) is the responsible entity of the registered schemes established under The Platinum Trust Constitution.

The persons holding positions as directors of Platinum Asset Management during the financial year were as follows:

WK Neilson  
AM Clifford  
RM Halstead

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year paid by the registered schemes to the responsible entity	851,006	798,539	1,140,366	843,317	30,583,426	12,680,658	812,977	217,324	365,294	255,602	12,380	-
Aggregate amounts payable to responsible entity at reporting date	79,269	57,740	117,684	84,961	2,863,210	1,982,441	84,782	31,000	43,132	19,000	7,129	-

**Platinum Japan Fund**  
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**Note 13 Related Parties (continued)**

**Related Party Transactions**

All related party transactions are conducted on normal commercial terms and conditions.

The directors and director related entities of Platinum Asset Management held units in the registered schemes as follows:

<b>2003</b>				
<b>Registered Scheme</b>	<b>Number of units held</b>	<b>Interest held %</b>	<b>Number of units acquired</b>	<b>Number of units disposed</b>
Platinum Asia Fund	2,959,857	37.52	2,959,857	-
Platinum Japan Fund	3,511,612	8.20	1,687,725	1,186,661
Platinum European Fund	3,918,291	6.05	1,972,933	1,434,857
Platinum International Fund	13,453,042	0.80	6,622,491	7,039,782
Platinum International Brands Fund	1,204,431	2.22	544,423	500,000
Platinum International Technology Fund	1,438,012	3.43	655,901	500,000
<b>2002</b>				
<b>Registered Scheme</b>	<b>Number of units held</b>	<b>Interest held %</b>	<b>Number of units acquired</b>	<b>Number of units disposed</b>
Platinum Asia Fund	-	-	-	-
Platinum Japan Fund	3,010,548	7.72	343,454	31,183
Platinum European Fund	3,380,215	5.92	631,822	95,218
Platinum International Fund	13,870,332	1.35	1,595,668	-
Platinum International Brands Fund	1,160,007	2.84	132,806	-
Platinum International Technology Fund	1,282,110	4.07	155,132	60,513

**Platinum Japan Fund**  
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**Note 14 Segment Information**

**Industry Segment**

The registered schemes operate solely in the financial investment industry.

**Geographical Segments**

While the registered schemes operate from Australia only (the geographical segment), the schemes have investment exposures in different countries. The geographic location exposures are outlined below.

<b>2003</b>						
<b>Platinum Japan Fund</b>	<b>Japan</b>	<b>Other Asia</b>	<b>Europe</b>	<b>North</b>	<b>Australia</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>Euro</b>	<b>America</b>	<b>\$'000</b>	<b>\$'000</b>
			<b>\$'000</b>	<b>\$'000</b>		
Segment Revenue	(3,528)	656	-	775	(25)	(2,122)
Segment Result	(3,531)	656	-	775	(1,089)	(3,189)
Segment Assets	55,276	10,666	-	2,977	1,623	70,542
Segment Liabilities	1,833	-	-	-	6,346	8,179
<b>2002</b>						
<b>Platinum Japan Fund</b>						
Segment Revenue	(6,924)	6,002	15	360	19	(528)
Segment Result	(6,924)	6,002	15	360	(1,036)	(1,583)
Segment Assets	53,171	15,528	-	3,203	2,046	73,948
Segment Liabilities	1,602	662	-	-	6,930	9,194

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**Note 14 Segment Information (cont)**

**2003**

**Platinum European Fund**

	<b>Europe \$'000</b>	<b>Other Europe \$'000</b>	<b>North America \$'000</b>	<b>Australia \$'000</b>	<b>Total \$'000</b>
Segment Revenue	(3,226)	(129)	276	118	(2,961)
Segment Result	(3,226)	(129)	276	(1,245)	(4,324)
Segment Assets	61,780	30,181	47	7,251	99,259
Segment Liabilities	188	-	-	2,359	2,547

**2002**

**Platinum European Fund**

Segment Revenue	3,244	688	10	(366)	3,576
Segment Result	3,270	653	10	(1,453)	2,480
Segment Assets	71,187	14,096	1,251	13,026	99,560
Segment Liabilities	977	227	-	6,888	8,092

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**Note 14 Segment Information (cont)**

**2003**

**Platinum International Fund**

	<b>Japan \$'000</b>	<b>Other Asia \$'000</b>	<b>Europe \$'000</b>	<b>Other Europe \$'000</b>	<b>North America \$'000</b>	<b>South America \$'000</b>	<b>Australia \$'000</b>	<b>Total \$'000</b>
Segment Revenue	(45,260)	(624)	(88,200)	2,890	54,696	8	25,680	(50,810)
Segment Result	(45,354)	(624)	(88,200)	2,890	54,684	8	(8,142)	(84,738)
Segment Assets	582,104	326,345	719,541	207,485	605,915	602	284,058	2,726,050
Segment Liabilities	-	6,351	3	-	(1,675)	-	139,702	144,381

**2002**

**Platinum International Fund**

Segment Revenue	10,947	12,834	11,912	94	64,169	(6)	5,293	105,243
Segment Result	10,947	12,834	11,912	94	64,137	(6)	(9,610)	90,308
Segment Assets	368,990	178,192	643,906	76,697	300,971	-	352,040	1,920,796
Segment Liabilities	9,308	-	9,451	3,492	-	-	138,292	160,543

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**Note 14 Segment Information (cont)**

**2003**

**Platinum International Brands Fund**

	<b>Japan \$'000</b>	<b>Other Asia \$'000</b>	<b>Europe \$'000</b>	<b>Other Europe \$'000</b>	<b>North America \$'000</b>	<b>Australi a \$'000</b>	<b>Total \$'000</b>
Segment Revenue	(1,735)	1,247	315	174	(410)	136	(273)
Segment Result	(1,735)	1,247	315	174	(410)	(852)	(1,261)
Segment Assets	15,849	4,891	33,761	9,845	5,528	2,429	72,303
Segment Liabilities	-	-	37	-	-	4,039	4,076

**2002**

**Platinum International Brands Fund**

Segment Revenue	238	1,364	624	5	762	127	3,120
Segment Result	238	1,364	624	5	762	(295)	2,698
Segment Assets	14,065	3,516	25,470	3,423	3,040	12,098	61,612
Segment Liabilities	-	1,052	1,612	-	-	3,689	6,353

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**Note 14 Segment Information (cont)**

**2003**

**Platinum International Technology Fund**

	<b>Japan \$'000</b>	<b>Other Asia \$'000</b>	<b>Europe \$'000</b>	<b>Other Europe \$'000</b>	<b>North America \$'000</b>	<b>Australia \$'000</b>	<b>Total \$'000</b>
Segment Revenue	(506)	47	311	45	(2,662)	10	(2,755)
Segment Result	(988)	47	311	45	(2,662)	10	(3,237)
Segment Assets	3,985	5,638	4,767	4,049	18,049	440	36,928
Segment Liabilities	-	-	-	-	-	3,637	3,637

**2002**

**Platinum International Technology Fund**

Segment Revenue	377	543	367	(276)	(2,345)	53	(1,281)
Segment Result	377	543	367	(276)	(2,345)	(377)	(1,711)
Segment Assets	5,669	2,952	359	1,810	20,318	6,525	37,633
Segment Liabilities	-	-	-	-	593	5,850	6,443



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**Note 14 Segment Information (cont)**

**2003**

**Platinum Asia Fund**

	<b>Japan \$'000</b>	<b>Other Asia \$'000</b>	<b>Europe \$'000</b>	<b>Other Europe \$'000</b>	<b>North America \$'000</b>	<b>Australia \$'000</b>	<b>Total \$'000</b>
Segment Revenue	-	64	-	-	26	22	112
Segment Result	-	64	-	-	26	9	99
Segment Assets	-	7,145	-	-	516	1,028	8,689
Segment Liabilities	-	407	-	-	-	63	470

**2002**

**Platinum Asia Fund**

Segment Revenue	-	-	-	-	-	-	-
Segment Result	-	-	-	-	-	-	-
Segment Assets	-	-	-	-	-	-	-
Segment Liabilities	-	-	-	-	-	-	-

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**Note 15 Reconciliation of net Operating Income to Net Cash Inflow from Operating Activities**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes deposits at call, cash at bank and forex contracts. Cash at the end of the period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statements of Financial Position as follows:

	<b>Japan Fund</b>		<b>European Fund</b>		<b>International Fund</b>		<b>International Brands Fund</b>		<b>International Technology Fund</b>		<b>Asia Fund</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents (refer note 6)	11,423	7,511	18,262	22,838	489,407	412,890	19,703	13,360	9,360	9,312	1,459	-

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bear floating interest rates in the range of <2.25%> to <3.50%>.

International and Australian deposits at call bear floating interest rates in the range of <0.50%> to <5.00%>.

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**(b) Non Cash Financing and Investing Activities**

<b>Japan Fund</b>		<b>European Fund</b>		<b>International Fund</b>		<b>International Brands Fund</b>		<b>International Technology Fund</b>		<b>Asia Fund</b>	
<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

4,607	1,905	3,588	1,533	54,600	17,055	2,168	160	3,393	2,958	-	-
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**Platinum Japan Fund**  
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(c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	Japan Fund		European Fund		International Fund		International Brands Fund		International Technology Fund		Asia Fund	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Operating profit	(3,189)	(1,583)	(4,324)	2,480	(84,739)	90,308	(1,261)	2,698	(3,237)	(1,711)	99	-
(Increase)/decrease in investments	1,688	8,870	(17,127)	(33,804)	(1,037,481)	(1,215,200)	(12,662)	(40,995)	(443)	(22,316)	(6,974)	-
(Increase)/decrease in settlements receivable	3,647	(2,939)	161	830	(6,013)	(11,157)	-	-	-	364	(221)	-
Increase/(decrease) in settlements payable	(1,440)	1,458	(1,306)	1,477	(16,743)	23,000	(2,627)	2,664	(535)	575	407	-
(Increase)/decrease in exchange rates	588	(132)	271	(139)	942	755	693	(42)	629	(29)	64	-
(Increase)/decrease in dividends receivable	16	(14)	(168)	(73)	(3,307)	(1,518)	(40)	(59)	-	-	(31)	-
(Increase)/decrease in interest receivable	4	(8)	22	(52)	343	(1,029)	30	(47)	19	(17)	(3)	-
(Decrease)/increase in accrued expenses	-	(13)	(21)	79	363	2,368	26	69	(54)	19	8	-
(Increase)/decrease in other receivables	38	-	20	-	(73)	-	(1)	-	3	-	-	-
Investment writedown	1,924	597	12,807	1,501	317,795	26,574	8,325	-	1,173	7,737	-	-
Cash Flows from operating activities	3,276	6,236	(9,665)	(27,701)	(828,913)	(1,085,899)	(7,517)	(35,712)	(2,445)	(15,378)	(6,651)	-

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**Note 16 Events Occurring after the Reporting Date**

Since the end of the financial year there are no matters or circumstances not otherwise dealt with in the report that have significantly affected, or may significantly affect, the operations of each of the individual registered schemes in financial periods subsequent to this period.

**Note 17 Contingent Liabilities and Commitments**

The registered schemes have no contingent liabilities or commitments.

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**Directors' Declaration**

The directors of the responsible entity declare that the financial statements and notes of

Platinum Japan Fund  
Platinum European Fund  
Platinum International Fund  
Platinum International Brands Fund  
Platinum International Technology Fund  
Platinum Asia Fund (together the 'registered schemes') as set out on pages 7 to 44

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the registered schemes financial position as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

RM Halstead  
Director

Sydney  
26 August 2003

## **Independent Audit Report to the Unitholders of**

**Platinum Japan Fund**

**Platinum European Fund**

**Platinum International Fund**

**Platinum International Brands Fund**

**Platinum International Technology Fund**

**Platinum Asia Fund**

### **Audit opinion**

In our opinion, the financial report of Platinum Japan Fund, Platinum European Fund, Platinum International Fund, Platinum International Brands Fund, Platinum International Technology Fund and Platinum Asia Fund (together the “registered schemes”) covered by this report for the financial year ended 30 June 2003 as set out on pages 7 to 45:

- presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of the registered schemes as at 30 June 2003 and of its performance for the year ended on that date
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

### **Scope and summary of our role**

#### **The financial report – responsibility and content**

The preparation of the financial report for the year ended 30 June 2003 is the responsibility of the directors of Platinum Asset Management (the “responsible entity”). It includes the financial statements of the registered schemes.

#### **The auditor’s role and work**

We conducted an independent audit of the financial report in order to express an opinion on it to the unitholders of the registered schemes. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material

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misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the registered schemes' financial positions and their performance as represented by the results of their operations and cash flows.

The procedures included:

- selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence
- evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report
- obtaining written confirmation regarding material representations made to us in connection with the audit
- reviewing the overall presentation of information in the financial report

Our audit opinion was formed on the basis of these procedures.

**Independence**

As auditor, we are required to be independent of the registered schemes and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.



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In addition to our statutory audit work over the financial report, we were engaged to undertake other services for the registered schemes. These services are disclosed in note 4 to the financial statements. In our opinion, the provision of these services has not impaired our independence.

PricewaterhouseCoopers  
Chartered Accountants

AJ Loveridge  
Partner

Sydney  
26 August 2003